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Lubbock ~ McLennan
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August 24, 2009

To: CIJS Oversight Board

From: Charles Gray, TechShare Program manager

Re: **Fax Vote: Recommendation to the Urban Counties Board of Directors to Amendment No. 1 to the Master Software License and Professional Services Agreement and to Adopt the new Master Agreement with Tyler Technologies for the Court Administration System**

Chairman G.K Maenius has called for the following items to be voted on via fax:

- 1. Recommendation that the Urban Counties Board of Directors Adopt Amendment No. 1 to the Master Software License and Professional Services Agreement with Tyler Technologies, and**
- 2. Recommendation that the Urban Counties Board of Directors Adopt the new CUC Master Agreement with Tyler Technologies.**

Please review the items and print out the ballot found on the second page of this document, and fax it back to our office with your vote. If you have any concerns or questions regarding these items, please call Charles Gray on his mobile: 512.913.6206. Due to a desire to resolve these pending items before the end of the month, the Urban Counties requests that you submit your votes prior to close of business Friday, September 4, 2009.

Urban Counties Fax Number is 512.476.5122

Background:

In March 2006, the Urban Counties entered into a contract with Tyler Technologies to provide the option to license and implement a Court Administration System, along with other justice system modules, to the member counties. The contract anticipated that, over a three year period, the Urban Counties could obtain an "enterprise" software license that would provide unlimited use of the Court Administration System for member counties by enrolling a sufficient number of counties to pay the combined enterprise license fee of \$12,395,000.

Over the next three years, the Urban Counties, working closely with Tyler Technologies, enrolled thirteen (13) counties in the contract, with a combined license fee commitment (for the Court Administration System) of \$10,757,500.

In order to continue to offer the Court Administration System to member counties and to extend the collaborative efforts of the participating counties, an amendment to the original contract is needed. Through discussions with Tyler Technologies, new contract documents have been developed extending the relationship between the Urban Counties and Tyler through 2014.

The amendment to the current agreement will become effective if approved by the Urban Counties Board and the participating member counties.

The new agreement will become effective when approved by the Urban Counties Board. A summary of the contract changes are presented below.

Contract Amendment Overview:

The process for amending the Master Software License and Professional Services agreement includes two steps:

- Approve Amendment No. 1 to the Master Software License and Professional Services agreement to provide for additional benefits to the participating counties and to effectively close out the current Tyler contract with the Urban Counties; and
- Replace the Master Software License and Professional Services agreement with a new Master Agreement that provides the member counties with the continued opportunity to acquire the Court Administration System and other optional modules from Tyler Technologies through December 2014 at significant cost savings.

This approach resolves the issues with the current agreement and allows the TechShare program to continue the collaborative effort with Tyler Technologies that has delivered significant value and savings to the participating counties. The elements of each step of the project are outlined below:

Approve Amendment No. 1 to the Master Software License and Professional Services Agreement:

- Resolves Urban Counties/Tyler issues regarding license fee payment by eliminating the enterprise license fee.
- Requires that pending license fees for participating counties be paid through the Urban Counties by the end of December 2009.
- If all pending license fees are paid by the end of December 2009, provides a license fee rebate in the amount of \$800,000 to be distributed to participating counties by the Urban Counties.
- Continues current implementation projects for the thirteen (13) participating counties with no increase in cost.
- Provides Tyler with a twelve percent (12%) increase in hourly services rates for any change orders or new projects executed for the thirteen (13) participating counties, effective immediately.
- Continues the current Software Maintenance agreement terms for the participating counties at the same low rate of 16% of license fees, saving the counties about 25% over the industry standard maintenance fee rates of 22 to 24% of license fees.

- Provides the option for the participating counties to expand Software Maintenance services to include expanded help desk coverage through an incremental increase in annual software maintenance fees.
- Continues administration and payment of Software Maintenance services through the Urban Counties so counties can leverage their collaborative purchasing structure.
- Provides for the completion of all approved enterprise modifications up to the contract value of \$661,986, providing almost \$2 million in value to participating counties.
- Closes out the current contract on December 31, 2009 while recognizing that some contract commitments, such as ongoing implementation projects and maintenance contracts, survive the termination of the agreement.

New Master Agreement:

- Provides the Urban Counties members the option to obtain the Court Administration System, optional justice software modules such as Jail Management, Adult Probation, Sheriff's Records Management and Hot Checks at a discounted license fee of approximately 10% through December 31, 2010.
- Provides all counties in Texas with the option to obtain the Court Administration System, optional justice software modules such as Jail Management, Adult Probation, Sheriff's Records Management and Hot Checks through the Urban Counties through December 31, 2014.
- Provides an additional license fee rebate of \$390,000 if the participating county license fees are expanded by a minimum of \$2 million by the end of December 2010. The rebate would be paid to the Urban Counties to be distributed to the participating member counties.
- Provides software Maintenance Services, including expanded Help Desk services, at discounted fees for all participating counties. Basic maintenance would be offered at a 25% savings by establishing the maintenance fees at 16% of licenses fee instead of the industry standards of 22 to 24%.
- Expands the enterprise modification program so participating counties can continue to obtain software enhancements at a rate discounted by at least 15%, with costs shared by all participants, resulting in continued savings through collaboration.
- Continues administration and payment of for Software Maintenance services through the Urban Counties.
- Structures the parties' contractual relationship in a manner that is more customary in the software development and sales marketplace through the use of a more traditional master agreement.

Please indicate your vote below, print and sign your name and fax to the Urban Counties office at 512.476.5122

Recommendation for Board of Directors to Adopt Amendment No. 1 to the current Master Software License and Professional Services agreement with Tyler Technologies and to Adopt the new Master Agreement with Tyler Technologies to continue offering the Court Administration System and related software to the member counties.

Recommended Resolutions:

RESOLVED by the Common Integrated Justice System Oversight Board of the Texas Conference of Urban Counties that the recommendation to the Urban Counties Board of Directors is to approve the execution of Amendment No. 1 to the current Master Software License and Professional Services Agreement.

- ☐ I vote in favor of the above resolution
- ☐ I vote against the above resolution

RESOLVED by the Common Integrated Justice System Oversight Board of the Texas Conference of Urban Counties that the recommendation to the Urban Counties Board of Directors is to approve the execution of the Master Agreement with Tyler Technologies.

- ☐ I vote in favor of the above resolution
- ☐ I vote against the above resolution

Signature

Print Name

FAX vote back to the Urban Counties office at 512.476.5122

Thank You!